

INSTRUCTIONS REGARDING QUARTERLY ESCROW PAYMENT REQUIREMENT

Who is required to make quarterly escrow payments?

A tobacco product manufacturer that is required to make escrow deposits pursuant to Neb. Rev. Stat. § 69-2703(2), will be required to make such deposits in quarterly installments during the year in which the sales covered by the deposit are made:

(a) Through the end of the calendar year following the year said tobacco product manufacturer is listed in the directory established pursuant to Neb. Rev. Stat. § 69-2706,

(b) if said tobacco product manufacturer is removed from, then subsequently relisted in, the directory, then for all periods following the relisting through the end of the calendar year following the year the tobacco product manufacturer is relisted in the directory;

(c) if said tobacco product manufacturer has failed to make a complete and timely escrow deposit for any calendar year as required by section 69-2703, or for any quarter as required in Neb. Rev. Stat. § 69-2706; or

(d) if said tobacco product manufacturer has failed to pay any judgment, including any civil penalty ordered under § 69-2703 or § 69-2709.

What is the amount of the quarterly deposit required?

For sales in 2008, the **estimated** escrow rate, as adjusted for inflation, is \$0.0258601 per stick sold in the preceding quarter.

When must quarterly escrow deposits be made?

The quarterly deposit must be made on or before thirty (30) days from the last day of the calendar quarter. See below for 2008 deadlines.

First Quarter 2008: January 1 to March 31. Payment due April 30. Notice due May 10.

Second Quarter 2008: April 1 to June 30. Payment due July 31. Notice due August 11.

Third Quarter 2008: July 1 to September 30. Payment due October 31. Notice due November 10.

Fourth Quarter 2008: October 1 to December 31. Payment due January 30, 2009. Notice due February 10, 2009.

NOTE: If you are required to make escrow deposits in quarterly installments, notices regarding said deposits will not be sent. If the deposit and notice are not received by the Attorney General's Office by the notice due date, the Attorney General's Office will advise the Nebraska Department of Revenue to post a 30-day notice of intent to remove the manufacturer and its brands from the directory.

What information needs to be submitted as proof of the quarterly deposit?

The manufacturer required to make escrow deposits in quarterly installments shall submit written proof of the deposit, such as a copy of the bank deposit slip or bank account

statement, to the Attorney General's Office, Attn: Lynne R. Fritz, Assistant Attorney General, P.O. Box 98920, Lincoln, NE 68509-8920.

When is proof of deposit due?

Proof of the quarterly deposit is due within ten (10) days after the quarterly deposit deadline.